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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION  
STAFF'S SEVENTEENTH REQUEST FOR INFORMATION**

**Question Staff No. 17-8:**

Please provide the actual balance of SWEPCO's NOLC asset reported on the March 31, 2020 10-Q report to the Securities and Exchange Commission of AEP, Inc. and SWEPCO. Please confirm that the balance reported is consistent with GAAP. If it is not consistent with GAAP, why is it not consistent?

**Response Staff No. 17-8:**

The balance of SWEPCO's NOLC asset on the 3-31-2020 10-Q reflects the payments received through the consolidated tax allocation agreement and as a result is zero. This is consistent with GAAP accounting for income taxes with a consolidated tax allocation agreement as is the case with SWEPCO and AEP, Inc. However, the regulatory treatment of the NOLC asset in this case is governed by PURA and federal normalization requirements, not GAAP accounting.

Prepared By: David A. Hodgson

Title: Tax Acctg & Reg Support Mgr

Sponsored By: David A. Hodgson

Title: Tax Acctg & Reg Support Mgr